



LIVESTOCK

Released: July 23, 2004

Volume 04 No. 7

In this issue:

Cattle on Feed, Cattle Inventory, Sheep & Lambs, Milk Production, and Market Implications

Kansas Cattle on Feed

The number of **cattle on feed** on July 1, 2004 in Kansas feedlots with 1,000 head or more capacity totaled 2.09 million head, down 3 percent from a year ago and 7 percent below the number on hand June 1, 2004. **Placements** during June totaled 400,000 head, 4 percent lower than a year ago and 19 percent below May 2004 placements of 495,000 head. **Marketings** during June totaled 540,000 head, 6 percent above June 2003 and 16 percent above May 2004. **Other disappearance** was 20,000 head, up 5,000 from a year ago but unchanged from the previous month. The percent of June placements by weight was: under 600 pounds, 24 percent; 600-699 pounds, 25 percent; 700-799 pounds, 30 percent; and 800 pounds or heavier, 21 percent.

U.S. Cattle on Feed

Cattle and calves on feed for slaughter market in the United States from feedlots with capacity of 1,000 or more head totaled 10.1 million head on July 1, 2004. The inventory was 2 percent above July 1, 2003 but 4 percent below July 1, 2002. **Placements** in feedlots during June totaled 1.64 million, 2 percent lower than 2003 and slightly below 2002. Net placements were 1.57 million. During June, placements of cattle and calves weighing less than 600 pounds were 460,000, 600-699 pounds were 356,000, 700-799 pounds were 448,000, and 800 pounds and greater were 375,000. **Marketings** of fed cattle during June totaled 2.08 million, 7 percent below 2003 but slightly above 2002. **Other disappearance** totaled 70,000 during June, 15 percent above 2003 and 37 percent above 2002.

**Cattle On Feed, Placements, Marketings, And Other Disappearance,
1,000+ Head Capacity Feedlots, Selected States and United States, June - July 2003 - 2004**

State	Number on Feed ¹				June Placements		June Marketings		Other Disappearance during June ²	
	Jun 1	July 1								
	2004	2003	2004	% of 2003	2003	2004	2003	2004	2003	2004
	1,000 Head	1,000 Head	1,000 Head	(%)	1,000 Head	1,000 Head	1,000 Head	1,000 Head	1,000 Head	1,000 Head
AZ	294	266	295	111	34	31	32	28	2	2
CA	520	490	520	106	73	69	63	62	5	7
CO	1,010	890	940	106	125	140	220	200	5	10
ID	255	255	240	94	63	47	67	60	1	2
IA	400	310	390	126	34	50	68	59	1	1
KS	2,250	2,160	2,090	97	415	400	510	540	15	20
NE	2,010	1,690	1,850	109	270	285	500	435	10	10
NM	118	115	124	108	21	26	13	19	3	1
OK	330	350	315	90	52	52	59	64	3	3
SD	188	167	173	104	27	20	55	34	3	1
TX	2,810	2,820	2,760	98	470	455	520	495	10	10
WA	155	160	150	94	39	34	38	38	1	1
Oth Sts	285	250	270	108	49	30	82	43	2	2
U.S.	10,625	9,923	10,117	102	1,672	1,639	2,227	2,077	61	70

¹ Being fattened for slaughter market on grain or other concentrates to grade select or better. ² Includes death losses, movement from feedlots to pastures and shipments to other feedlots.

**Cattle On Feed: Number Placed On Feed By Weight Group,
1,000+ Head Capacity Feedlots, Selected States and United States, June 2003-2004**

State	Placed in June									
	Under 600 lbs.		600-699 lbs.		700-799 lbs.		800 Plus lbs.		Total	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Head	Head	Head	Head	Head	Head	Head	Head	Head	Head
CO	24	30	36	40	35	40	30	30	125	140
KS	80	95	95	100	135	120	105	85	415	400
NE	33	55	50	47	75	73	112	110	270	285
TX	120	150	120	115	145	140	85	50	470	455
Other States ...	115	130	57	54	90	75	130	100	392	359
U.S.	372	460	358	356	480	448	462	375	1,672	1,639

**Cattle On Feed: Number On Feed By Class
1,000+ Head Capacity Feedlots, by Quarter, State, and United States, 2003-2004**

	Steers & Steer Calves			Heifers & Heifer Calves			Cows and Bulls		
	Jul 1,	Apr 1,	Jul 1,	Jul 1,	Apr 1,	Jul 1,	Jul 1,	Apr 1,	Jul 1,
	2003	2004	2004	2003	2004	2004	2003	2004	2004
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Head	Head	Head	Head	Head	Head	Head	Head	Head
CO	510	575	560	375	390	375	5	5	5
KS	1,150	1,230	1,130	995	1,110	950	15	20	10
NE	950	1,300	1,100	725	890	740	15	20	10
TX	1,770	1,670	1,750	1,048	967	1,008	2	3	2
Other States	1,731	1,845	1,830	608	704	622	24	19	25
U.S.	6,111	6,620	6,370	3,751	4,061	3,695	61	67	52

Cattle Inventory

All cattle and calves on farms and ranches in **Kansas** on July 1, 2004 totaled 6.60 million head, unchanged from the July 1, 2003 level. **All cows and heifers** that have calved, at 1.73 million, were up 4 percent from a year earlier. **Beef cow** inventory was estimated at 1.62 million, up 4 percent from last year's level of 1.56 million head. **Milk cows**, at 114,000 head, were up 4 percent when compared to the July 1, 2003 level. The 2004 **calf crop**, at 1.61 million head, was up 4 percent from last year.

All cattle and calves in the **United States** as of July 1, 2004, totaled 103.6 million head, down slightly from the 103.9 million on July 1, 2003 and 1 percent below the 105.1 million two years ago. **All cows and heifers** that have calved, at 42.5 million head, were slightly below the 42.7 million on July 1, 2003 and 1 percent below the 42.9 million two years ago. **Beef cows**, at 33.5 million, were down slightly from July 1, 2003 and

1 percent below two years ago. **Milk cows**, at 9.0 million, were down 1 percent below July 1, 2003 and 2 percent from two years ago. Other class estimates on July 1, 2004, and the changes from July 1, 2003, are as follows: **All heifers 500 pounds and over**, 15.95 million, up slightly; **beef replacement heifers**, 4.8 million, up 4 percent; **milk replacement heifers**, 3.6 million, unchanged; **other heifers**, 7.55 million, down 2 percent; **steers weighing 500 pounds and over**, 14.2 million, unchanged; **bulls weighing 500 pounds and over**, 2.05 million, down 2 percent; **calves under 500 pounds**, 28.9 million, down slightly; and **all cattle and calves on feed for slaughter**, 11.8 million, down slightly. The 2004 **calf crop** is expected to be 37.7 million head, down 1 percent from 2003 and 2002. Calves born during the first half of the year are estimated at 27.5 million, down 1 percent from both 2003 and 2002.

**Cattle And Calves: Number By Class, Calf Crop, And Operations,
July 1, 2003 - 2004**

Class	2003 1,000 Head	2004 1,000 Head	% of Prev. Yr. Percent
Kansas			
Cattle and Calves	6,600	6,600	100
Cows & Heifers That Have Calved	1,670	1,730	104
Beef Cows	1,560	1,616	104
Milk Cows	110	114	104
Calf Crop ¹	1,550	1,610	104
United States			
Cattle and Calves	103,900	103,600	100
Cows & Heifers That Have Calved	42,700	42,500	100
Beef Cows	33,600	33,500	100
Milk Cows	9,100	9,000	99
Heifers 500 Pounds and Over	15,900	15,950	100
For Beef Cow Replacement	4,600	4,800	104
For Milk Cow Replacement	3,600	3,600	100
Other Heifers	7,700	7,550	98
Steers 500 Pounds and Over	14,200	14,200	100
Bulls 500 Pounds and Over	2,100	2,050	98
Calves Under 500 Pounds	29,000	28,900	100
Calf Crop ¹	37,903	37,700	99
Cattle on Feed	11,810	11,800	100

¹ Calf crop is for the previous year.

Sheep and Lambs

All sheep and lamb inventory in the United States on July 1, 2004 totaled 7.65 million head, 2 percent below July 1, 2003. Breeding sheep inventory, at 4.55 million head on July 1, 2004, was 1 percent below July 1, 2003. Market sheep and lambs (including newborn lambs), at 3.11 million head, were 3 percent below last July. The **breeding herd** consists of 3.75 million ewes one year old and older, 180,000 rams one year old and older, and 620,000 replacement lambs (including newborn lambs). **Market lamb** inventory, at 3.03

million head, was comprised of 1.80 million lambs under 65 pounds, 635,000 lambs 65-84 pounds, 355,000 lambs 85-105 pounds, and 240,000 lambs over 105 pounds. Market sheep inventory was 75,000.

The 2004 **lamb crop** in the United States is expected to total 4.08 million head, down 1 percent from the 2003 lamb crop of 4.12 million head. Lambs born during January-June 2004 totaled 3.61 million head, or 88 percent of the expected yearly total.

U.S. Milk Production Down Slightly but Kansas Up 4 Percent

The April-June 2004 **milk production in Kansas** totaled 562 million pounds, up 4 percent from production during the same quarter in 2003. The number of milk cows was estimated at 113,000 cows, up 2,000 from the same quarter a year ago. The quarterly production per cow averaged 4,975 pounds, a 110 pound increase from the April-June period last year.

The quarterly **production of milk for the U.S.** was 43.7 billion pounds, down 0.6 percent from the April-June quarter last year. The average number of milk cows in the U.S. during the quarter was 9.00 million head, 112,000 head less than the same period a year earlier. U.S. milk production per cow during the second quarter averaged 4,857 pounds, up 30 pounds from the comparable 2003 average.



**KANSAS
AGRICULTURAL
STATISTICS SERVICE**
Fact Finders
For Agriculture

1,520

LIVESTOCK (USPS No. 435090) is published monthly by Kansas Agricultural Statistics Service, P.O. Box 3534, Topeka, KS 66601-3534. Postmaster: Please send address changes to P.O. Box 3534, Topeka, KS 66601-3534. Periodical postage paid at Topeka, KS 66601-3534.

Kansas Department of Agriculture
U.S. Department of Agriculture
P.O. Box 3534
Topeka, Kansas 66601-3534

MARKET IMPLICATION -Provided by Jim Mintert, Extension Ag Economist at KSU - Research & Extension Service

The large year-to-year slaughter decline has been accompanied by rising cattle weights. Dressed steer weights averaged 809 pounds the week ending July 10th, up from 795 pounds a month earlier. As a result, mid-July weights were up about 0.7% compared to last year. Weights normally increase from spring into summer, but this year's increase has been larger than typical. This year dressed steer weights rose 5.6% from their spring low in late April to early July. In contrast, the five-year average weight increase over this same timer period was about 3.1%.

The combination of smaller slaughter and a modest increase in weights means that beef production has been far below a year ago. During the four weeks ending July 24th, beef production was 12% smaller than a year ago. So far this year, beef production has fallen 9.3% vs. 2003's.

USDA's July 1 Cattle On Feed estimate was 2% larger than last year, but still down (1.6%) compared to the July five-year average. The year-to-year increase in the on feed inventory was the result of small fed cattle marketings during June (down 6.7% compared to 2003) coupled with a 2.6% decline in net placements on feed. The on feed inventory was near trade expectations prior to the report's release, but June marketings were more sluggish than expected and placements were smaller than expected. Prior to the report's release the trade expected USDA to reveal that placements were 2 to 3% larger than last year. U.S. net placements of cattle on feed have fallen below a year ago during every month this year, except May.

Small placements of cattle on feed in late winter and early spring mean that fed cattle supplies will remain relatively tight this summer, but the largest year-to-year declines are probably behind us. Rising dressed weights are consistent with the notion that feeders slowed down the marketing pace during June. And weights are expected to remain heavier than a year ago the rest of the year. Still, beef production this summer is likely to fall well below last year, declining as much as 7 to 9% during the July-September quarter. Slaughter should start to approach year-ago levels this fall. Combined with heavier weights, this means that beef production this fall will exceed last year's. Look for slaughter steer prices the rest of this summer to trade in the low to mid-\$80's and strengthen to the upper \$80's this fall. Unfortunately, there's a good chance prices will not rally enough to cover cattle feeder's breakevens that rise into the \$90's this fall.

For a more detailed narrative visit www.agmanager.info/livestock/marketing/